

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
04-008

2. STATE  
Ohio

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
October 1, 2004

5. TYPE OF PLAN MATERIAL (*Check One*):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ **AMENDMENT**

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:  
Section 1905(a)(1) through (5), and (7), and Section 1927 of the SSA.

7. FEDERAL BUDGET IMPACT: It is estimated that there will  
be a savings of \$ 25.9 million in federal funds for FFY 05

*FFY 2006: \$25.9 million AMS*

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, pre-print page 5, Item 12, page 1 of 5

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):

Attachment 3.1-A, pre-print page 5, Item 12, page 1 of 5

10. SUBJECT OF AMENDMENT:  
Supplemental Rebate Agreements.

11. GOVERNOR'S REVIEW (*Check One*):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ **OTHER, AS SPECIFIED:**

Governor has delegated signature to  
ODJFS Director

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Tom Hayes*

13. TYPED NAME:

Tom Hayes

14. TITLE:

Director

15. DATE SUBMITTED:

August 18 2004

16. RETURN TO:

Becky Jackson  
ODJFS/OHP/BHPP  
30 East Broad Street 27 Fl.  
Columbus, OH 43215-3414

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

8/27/04

18. DATE APPROVED:

OCT 14 2004

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

*10/1/2004*

21. TYPED NAME:

Cheryl A. Harris

20. SIGNATURE OF REGIONAL OFFICIAL:

*Elizabeth A. Honister Acting AKA*

22. TITLE: Associate Regional Administrator

Division of Medicaid and Children's Health

23. REMARKS:

**RECEIVED**  
AUG 18 2004  
DMCH - IL/IN/OH

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

a. Prescribed drugs

Coverage of prescription drugs meets all reporting requirements and provisions of section 1927 of the social security act, including the following requirements as found in section 1927(d)(5) of the act:

The Prior Authorization Program provides a response by telephone or other telecommunication device within 24 hours of a request.

The Prior Authorization Program provides for the dispensing of at least a 72-hour supply of a covered drug in an emergency situation.

**LONG TERM CARE PHARMACY BEST PRACTICES MANAGEMENT INCENTIVE PAYMENT PROGRAM.**

The long term care pharmacy best practices management incentive payment program will be in effect for SFY 2003 (July 1, 2002-June 30, 2003) and SFY 2004 (July 1, 2003-June 30, 2004) with final payments being made by March 31, 2005 to test the assumption that incentive based drug utilization management can reduce pharmacy expenditures for medicaid consumers living in nursing facilities and ICF-MR facilities without compromising patient care. It will be implemented in accordance with rule 5101:3-9-08.

**SUPPLEMENTAL REBATES.**

Based on the requirements in section 1927 of the Social Security Act, the state has the following policies for the supplemental rebate program for Medicaid recipients:

Supplemental rebates will be accepted from manufacturers according to the supplemental drug-rebate agreement. Supplemental rebates received pursuant to these agreements are only for the Medicaid program. Rebate agreement versions submitted to CMS through august 25, 2003 and entitled "State of Ohio Department of Job and Family Services supplemental drug rebate agreement" have been authorized by CMS. Any additional versions of rebate agreements negotiated between the state and manufacturers after August 25, 2003 will be submitted to CMS for authorization. Additional supplemental rebate agreements submitted to CMS through November 24, 2003 have been authorized by CMS. SUPPLEMENTAL REBATE AGREEMENTS EFFECTIVE 10/01/04 HAVE BEEN SUBMITTED TO AND HAVE BEEN APPROVED BY CMS.

The unit rebate amount is confidential and cannot be disclosed in accordance with section 1927(b)(3)(d) of the Social Security Act.

Supplemental drug rebates received under this agreement by the state that are in excess of those required under the National Drug Rebate Agreement will be shared with the federal government on the percentage basis required by law.

TNS# 04-008

APPROVAL DATE OCT 14 2004

SUPERSEDES  
TNS# 03-023

EFFECTIVE DATE 10-01-2004